

ENVIRONMENTAL ASSESSMENT
BLM Office: Carlsbad Field Office

DOI-BLM-NM-0520-2009-0103-EA

Lease #: NM-120895

OGX Resources, LLC

Patron 23 Fed. #1H

1. Purpose and Need for Action

- 1.1 The OGX Resources Company has applied for a permit to drill a horizontal oil well and construct an access road. The location for the proposed well is:

Surface Hole: 990 FNL & 560 FWL, Section 23, T. 25 S. R. 29 E

Bottom Hole: 330 FSL & 660 FWL, Section 23, T. 25 S. R. 29 E

- 1.2 The need for this proposed action is for further development of a federal oil and gas lease.
- 1.3 The Carlsbad Resource Management Plan and 1997 Amendment has been reviewed, and it has been determined that the proposed action conforms with the land use plan terms and conditions as required by 43 CFR 1610.5.
- 1.4 The Carlsbad Field Office utilizes a resource conflict map that was prepared by an interdisciplinary team showing areas of concern. These areas of concern include Special Management Areas (SMA's), Threatened and Endangered (T&E) Habitat, known locations of Threatened and Endangered (T&E) species, areas with other Special Status species, Wildlife Habitat projects, Riparian/Wetland habitat, 100-year floodplains, etc. The conflict map is reviewed, and the author of the EA signs off the projects shown to be outside of the areas of concern. The projects, which occur in the areas of concern depicted on the map, are reviewed and signed off only by the resource specialist with the expertise for that area.

The critical elements subject to requirements specified in statute, regulation, or executive order listed below are either not present or not affected by the proposed action or alternative.

Areas of Critical Environmental Concern (ACEC's)

Floodplains

Hazardous/Solid Wastes

Native American Religious Concerns

Prime/Unique Farmlands

Special Status Species

Water Quality

Wild & Scenic Rivers

Wilderness

Wetlands/Riparian

1.5 **Legal requirements or considerations**

All State and Federal requirements have been met.

2. **Alternatives Including the Proposed Action**

2.1 **Description of Proposed Action**

The OGX Resources Company proposes to construct an oil well location with a 280 x 260 ft. caliche pad. There will be no reserve pits due to the well being drilled utilizing a closed loop system. There will be a 413 x 30 ft. caliche access road required.

NOTE! The location was moved during the on-site examination 660 ft. to the south and 100 ft. west due to gas pipelines, rancher water pipelines, rancher water tub and an old caliche pit.

If the well is productive there will be a need for gas pipelines, tank batteries, electric lines and salt water disposal pipelines, and there will be an increase in applications to drill in the adjacent 160 acre tracts.

Mitigation Measures: The mitigation measures include the Pecos District Conditions of Approval. V-Door Southeast.

2.2 **Description of Alternatives**

Alternative A: No Action (Reject Application)

Mitigation Measures: None

3. **Affected Environment**

This section is a discussion, by relevant resources, of the current condition of the affected environment.

Location: The proposed project is located approximately 8 miles southeast of Malaga, NM and about 7 miles north of the Texas State line and about 3 miles east of the Pecos River. The regional industries are ranching, and oil and gas development. The land ownership of the proposed project is all federal surface and federal minerals.

3.1 **Air Quality**

The area of the proposed action is within the Pecos River airshed and is classified as a Class II Air Quality Area. Air quality is generally considered excellent. During the spring, strong winds occasionally cause dust storms, which are the primary cause of air pollution in the project area. Particulates from nearby oil and gas production, agriculture burning and ambient dust effect air quality. More information about the area climate may be found in the *Soil Survey: Eddy Area, New Mexico*.

3.2 **Range**

The proposed action is within the Rustler Breaks Allotment. The allotment is:

Wayland Perry
P.O. Box 24
Cherokee, Tx. 76832

3.3 **Soil**

The location is in a fairly flat spot in a Sandy Loam type area.

3.4 **Vegetation**

The existing vegetation consists of Mesquite/ Grasses type.

3.5 **Visual Resource Management (VRM)**

The public lands contained within and adjacent to the proposed APD are designated VRM Class IV. The objective of this class is to provide for management activities that require major modifications of the existing character of the landscape. The level of change to the characteristic landscape can be high. The change to the landscape is dominant, but mitigated.

3.6 **Wildlife Habitat**

The wildlife habitat in the area supports populations of ungulates (primarily mule deer), carnivores, water birds, upland birds and raptors. Population composition and numbers vary with suitability of habitat.

Migratory Birds

Executive order #13186 titled "Responsibilities of Federal Agencies to Protect Migratory Birds" signed 1/10/01 requires that the BLM evaluate the effects of federal actions on migratory birds. A migratory bird inventory has not been completed for this area. Common migratory birds which may use the area as habitat include various species of song birds, owls, ravens, hawks, finches, doves, thrashers, and meadow larks.

3.7 **Cultural**

The project falls within the Southeastern New Mexico Archaeological Region. This region contains the following cultural/temporal periods: Paleoindian (ca. 12,000-8,000 B.C.), Archaic (ca. 8000 B.C. –A.D. 950), Ceramic (ca. A.D. 600-1540) Protohistoric and Spanish Colonial (ca. A.D. 1400-1821), and Mexican and American Historical (ca. A.D. 1822 to early 20th century). Sites representing any or all of these periods are known to occur within the region. A more complete discussion can be found in *Living on the Land: 11,000 Years of Human Adaptation in Southeastern New Mexico An Overview of Cultural Resources in the Roswell District, Bureau of Land Management* published in 1989 by the U.S. Department of the Interior, Bureau of Land Management. A cultural resource inventory shall be conducted of the area of effect for the proposed project prior to any ground disturbing activities.

4. Environmental Impacts or Consequences

This section is a discussion, by relevant resources, of the potential impacts of each alternative. The discussion includes direct, indirect, cumulative and residual impacts after mitigation actions have been applied.

4.1 Air Quality

Proposed Action: Air quality will be affected by increased dust during construction and from vehicles traveling to and from the location. In addition, various odors will be produced. These could include diesel fumes, hydrogen sulfide gas and chemical odors in association with drilling. Although these impacts will fall within limits set by the National Ambient Air Quality Standards, the affects will be felt on and around the location.

Alternative A: Alternative A would have no impact.

4.2 Range

Proposed Action: The resulting loss of vegetation will not affect the Animal Unit Months (AUMs) authorized for livestock use in this area. There are occasional livestock injuries or deaths due to accidents such as collisions with vehicles, falling into mud pits or other excavations and ingesting plastic or other materials present at the work site. If further development occurs, the resulting loss of vegetation could reduce the AUMs authorized for livestock use in this area.

Alternatives A: Alternative A would have no effect.

4.3 Soil

Proposed Action: There is a potential for soil erosion due to the highly erosive nature of a shallow soil area that is exposed. There is always the potential for soil contamination around production facilities due to spills of salt water and/or hydrocarbons. If further development occurs this could result in increased soil erosion and soil contamination from surface spills.

Alternative A: Alternative A would have no effect.

4.4 Vegetation

Proposed Action: Vegetation will be removed when the well pad and access road are constructed. This impact will be permanent as long as the well is productive. When the well is plugged and abandoned, the area will potentially re-vegetate in 4-5 years, depending on timely rainfall. If further development occurs this could result in increased vegetation depletion.

Alternative A: Alternative A would have no effect.

4.5 Visual Resource Management (VRM)

Proposed Action: If further development occurs this could result in increased visual impacts due to pads, roads, power poles, ROW cuts and production facilities.

Alternative A: Alternative A would have no effect.

4.6 **Wildlife**

Proposed Action: The severity of impacts depends on the sensitivity of the species affected, the nature of the environmental disruption, habitat characteristics, and the availability and condition of alternative habitat. The species present in this area tend to vacate traditional habitats under continued and increasing pressure from petroleum activities. This is probably due to the intensive nature of petroleum production occurring. Under the proposed action, these species may vacate the area for several years and may never reoccupy this habitat again. This will depend on the long-term development in the area and whether suitable habitat exists elsewhere that can support additional animals. If suitable habitat is not available, species populations will likely sustain a decrease, especially if secondary habitat is also under pressure and/or degradation.

Alternative A: Alternative A would have no effect.

4.7 **Cultural**

A cultural resource inventory was conducted for the area of effect (09-NM-523-23), no Historic Properties were identified.

Alternative A: Alternative A would have no effect.

5. **Consultations and Coordination**

Prepared by: Barry W. Hunt, Surface Protection Specialist BLM-CFO
Date: 10/28/08

The following individuals have been consulted regarding the proposed action:

Martin Stein, Archaeologist, BLM-CFO
John Chopp, Wildlife Biologist, BLM-CFO

DECISION RECORD (DR)
AND
FINDING OF NO SIGNIFICANT IMPACT (FONSI)
BLM Office: Carlsbad Field Office

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Recommendation and Rationale:

Our analysis has shown with proper mitigation, as described under section 2.1, the proposed action would have minimal environmental impacts. The proposed action is consistent with the Carlsbad Resource Area Management Plan and Amendment. Therefore, it is recommended that this application be approved.

Prepared by:

/s/ Barry W. Hunt

Barry W. Hunt, Surface Protection Specialist

11/13/2008

Date

Finding of No Significant Impact/Decision Record:

I have reviewed this environmental assessment including the explanation and resolution of any potentially significant environmental impacts. I have determined that the proposed action, with the mitigation measures described under section 2.1, will not have any significant impacts on the human environment, no significant impacts to minority or low-income populations or communities have been identified for the proposed action and that an EIS is not required. I have determined that the proposed project is in conformance with the approved land use plan. It is my decision to implement the project with the mitigation measures attached.

/s/ James Amos for

James Stovall, Field Manager

Carlsbad Field Office, BLM

11/19/2008

Date